

RECORDING REQUESTED BY

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WHEN RECORDED RETURN TO:

Fulbright & Jaworski, L.L.P.  
865 South Figueroa Street  
Twenty-Ninth Floor  
Los Angeles, CA 90017-2576  
Attention: Philip Nelson Lee, Esq.

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AMENDMENT TO SECOND AMENDED AND RESTATED REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS

THIS AMENDMENT TO SECOND AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "Amendment") dated as of May 1, 2004, among the County of San Bernardino (the "Issuer"), WLP Mountain View Apartments, LLC, a Delaware limited liability company (the "Owner"), the affiliated successor to Western Land Properties, a California limited partnership ( "Western Land") and BNY Western Trust Company (the "Trustee"), under that certain Trust Indenture, dated as of May 1, 2004, amending that certain Second Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the "Original Regulatory Agreement," together with the Amendment, the "Regulatory Agreement"), dated as of March 1, 1997, among the Issuer, the Western Land and BNY Western Trust Company, as the successor to U.S. Trust Company of California, N.A., under that certain Indenture of Trust, dated as of March 1, 1997, (the "1997 Indenture"), as original trustee (the "Original Trustee"), recorded in the Official Records of the County of San Bernardino, California, as Document No. 97-\_\_\_\_\_

WITNESSETH:

WHEREAS, the Issuer previously issued its \$10,910,000 aggregate principal amount of its Variable Rate Demand Multifamily Housing Refunding Bonds 1997 Series A (Mountain View Apartments) A (the "Prior Bonds"), pursuant to the Original Indenture, and the Issuer loaned the proceeds of the Bonds to the Western Land pursuant to a Loan Agreement, dated as of March 1, 1997, by and among the Issuer, the Original Trustee and the Western Land (the "Original Loan Agreement"), to refinance a multifamily housing rental development located in the County of San Bernardino, California (as further described in the Original Regulatory Agreement, the "Project"); and

WHEREAS, in connection with the issuance of the Prior Bonds, the Issuer, the Trustee and the Western Land entered into the Original Regulatory Agreement; and

WHEREAS, in connection with the issuance of the Issuer's Variable Rate Demand Multifamily Housing Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain View Apartments) in the original aggregate principal amount of \$10,910,000, the parties hereto desire to amend the Original Regulatory Agreement; and

WHEREAS, Section 10 of the Original Regulatory Agreement provides that its terms may be amended by a written instrument executed by the parties thereto and certain other conditions set forth therein, each of which has been satisfied;

WHEREAS, in order to induce Fannie Mae to provide the Credit Facility the Issuer agrees to the terms of the Fannie Mae Rider that amends and supplements the provisions of this Agreement, and in the event of a conflict shall supersede the conflicting provisions of this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

SECTION 1. Definitions. (a) All terms defined in Section 1.1 of the Indenture shall have the same meanings when used in the Regulatory Agreement, unless otherwise provided in the Original Regulatory Agreement or this Amendment.

(b) The first paragraph of Section 1 of the Regulatory Agreement is amended in its entirety as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall for all purposes of this Agreement have the meanings specified in the preambles hereto, in this Section, or in Section 1.1 of the Indenture.

(c) The following definitions shall replace the definitions as set forth in the Original Regulatory Agreement:

"Administration Fee" means the annual fee paid to the County by the Developer as provided in Section 2.5(a) of the Financing Agreement.

"Credit Provider" means Fannie Mae, as the issuer of the Credit Facility identified in the Indenture, or the issuer of any alternate security pursuant to the Finance Agreement and the Indenture.

"Fannie Mae" means Fannie Mae, a corporation duly organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et. seq., and its successors and assigns.

"Fannie Mae Rider" or "Rider" means the Fannie Mae Rider attached this Agreement.

“Owner” means WLP Mountain View Apartments, LLC, a Delaware limited liability company.

(d) All references herein to the Indenture, the Financing Agreement, the Mortgage, the Mortgage Note or the Regulatory Agreement shall mean such documents as entered into, or amended and restated as of May 1, 2004, as any of them may from time to time be further amended or supplemented, unless otherwise specified herein.

SECTION 2. Amendment of Section \_\_\_\_. Section \_\_\_\_ of the Original Regulatory Agreement is hereby amended by the addition of the following provision at the end of such section:

SECTION 3. Amendment of Section 16. Section 16 of the Original Regulatory Agreement is amended as follows:

(a) The address are amended to read as follows:

To the Issuer: County of San Bernardino  
Department of ECD  
290 North D Street, 6th Floor  
San Bernardino, California 92415  
Attention: Director Department of Economic and Community  
Development  
Telephone: (909) 388-0900  
Telecopier: (909) 388-0920

Copy to:  
County of San Bernardino  
Office of County Counsel  
385 North Arrowhead Avenue  
Fourth Floor  
San Bernardino, CA 92415-0120  
Attn: County Counsel  
Telephone: (909) 387-5445  
Telecopier: (909) 387-5462

To the Trustee: BNY Western Trust Company  
700 South Flower Street, Suite 500  
Los Angeles, CA 90017-4104  
Telephone: (213) 630-6246  
Telecopier: (213) 630-6215

To the Remarketing Agent: Newman & Associates, a Division of GMAC  
Commercial Holding Capital Markets Corp.  
1801 California Street, Suite 3700  
Denver, Co 80202  
Attention: Remarketing Desk

To the Owner: WLP Mountain View Apartments, LLC,  
a Delaware limited liability company  
c/o Lewis Operating Corp.  
1156 N. Mountain Ave.  
P.O. Box 670  
Upland, CA 91785  
Attn: Barry Ephraim  
Telephone: (909) 946-7581  
Telecopier: 909-949-6730

To the Tender Agent: BNY Western Trust Company  
700 South Flower Street, Suite 500  
Los Angeles, CA 90017-4104  
Telephone: (909) 387-5445  
Telecopier: (213) 630-6215

To the Rating Agencies: Standard & Poor's Rating Services  
55 Water Street  
38<sup>th</sup> Floor  
New York, NY 10041  
Attention: Public Finance Surveillance Group  
Telephone: (212) 438-2054  
Facsimile: (212) 438-2157

To the Credit Provider Fannie Mae

3900 Wisconsin Avenue, NW  
Drawer AM  
Washington, DC 20016-2899  
Attention: Director, Multifamily Asset Management  
Telephone: (301) 204-8008  
Facsimile: (301) 280-2065  
RE: \$10,910,000 Variable Rate Demand Multifamily Housing  
Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain  
View Apartments),  
Mountain View Apartments/Capri Capital

with a copy to:

Fannie Mae  
3900 Wisconsin Avenue, NW  
Drawer AM  
Washington, DC 20016-2899  
Attention: Vice President, Multifamily Operations  
Telephone: (301) 204-8422  
Facsimile: (202) 752-8369  
RE: \$10,910,000 Variable Rate Demand Multifamily Housing  
Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain  
View Apartments),  
Mountain View Apartments/Capri Capital

provided, however, that any notice required to be delivered to the Credit  
Provider pursuant to Section 4.1, 4.2 or 4.3 will be addressed as follows:

Fannie Mae  
3900 Wisconsin Avenue, N.W.  
Washington, DC 20016-2899  
Attention: Director, Fiscal Agency Relations and  
Treasury Backoffice  
Telephone: (202) 752-7916  
Facsimile: (202) 752-6087

RE: \$10,910,000 Variable Rate Demand Multifamily Housing  
Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain  
View Apartments),  
Mountain View Apartments/Capri Capital

with a copy to:

Fannie Mae  
3900 Wisconsin Avenue, N.W.  
Washington, DC 20016-2899  
Attention: Director, Multifamily Asset Management  
Telephone: (301) 204-8008  
Facsimile: (301) 280-2065  
RE: \$10,910,000 Variable Rate Demand Multifamily Housing  
Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain  
View Apartments),  
Mountain View Apartments/Capri Capital

[For courier to all Fannie Mae addresses use 4000 Wisconsin Avenue, N.W. and  
delete any reference to Drawer AM]

To the Loan Servicer:

Capri Capital  
18301 Von Karman Avenue, Suite 750  
Irvine, CA 92612  
Telephone: (949) 442-2400  
Facsimile: (949) 442-2401  
RE: \$10,910,000 Variable Rate Demand Multifamily Housing  
Mortgage Revenue Refunding Bonds, 2004 Series A (Mountain  
View Apartments),  
Mountain View Apartment

Copies of all notices given to the Credit Provider must be given concurrently to the Loan Servicer. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Credit Provider) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing.

SECTION 4. Addition of New Section. The Original Regulatory Agreement is hereby amended by the addition of the following section 19:

“Fannie Mae Rider. The attached Fannie Mae Rider is incorporated herein by reference.”

SECTION 5. Ratification and Reaffirmation of the Regulatory Agreement. Except as hereby expressly amended or superseded, the Regulatory Agreement shall remain in full force and effect, and the Regulatory Agreement, as hereby amended, is ratified and confirmed.

SECTION 6. Interpretation. In the event of any conflict between the provisions of the Regulatory Agreement as originally in effect and the provisions of this Amendment, the provisions of this Amendment shall control.

SECTION 7. Execution in Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8. Effective Date. This Amendment shall become effective when executed by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this AMENDMENT TO AMENDED AND RESTATED REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, all as of the day and year first above mentioned.

J. RENÉE BASTIAN

**COUNTY OF SAN BERNARDINO**

Attest:

By \_\_\_\_\_

Thomas R. Laurin, Director  
Department of Economic and Community  
Development

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM BY  
RONALD D. REITZ, COUNTY COUNSEL

By \_\_\_\_\_  
Michelle D. Blakemore, Deputy

[SIGNATURE PAGE FOR AMENDMENT TO AMENDED AND RESTATED REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS]



**BNY WESTERN TRUST COMPANY,**  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

[SIGNATURE PAGE FOR AMENDMENT TO AMENDED AND RESTATED REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS]

WLP Mountain View Apartments, LLC,  
a Delaware limited liability company,

By: Lewis Operating Corp., a California corporation,  
Its Sole Manager,

By: \_\_\_\_\_  
Authorized Agent

[SIGNATURE PAGE FOR AMENDMENT TO AMENDED AND RESTATED REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS]

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN BERNARDINO )

On \_\_\_\_\_, 2004, before me, \_\_\_\_\_, a notary public in and for said state, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacities, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA                     )  
  ) ss.  
COUNTY OF SAN BERNARDINO             )

On \_\_\_\_\_, 2004, before me, \_\_\_\_\_, a notary public in and for said state, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacities, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A  
DESCRIPTION OF REAL PROPERTY  
RELATING TO THE PROJECT